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C O N F I D E N T I A L SECTION 01 OF 03 TAIPEI 003234

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STATE PASS AIT/W

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TAGS: PGOV PREL CH TW

SUBJECT: LY CAMPAIGN ATMOSPHERICS: DPP UPBEAT

REF: TAIPEI 3031

Classified By: AIT Director Douglas Paal, Reason: 1.4 (B/D)

11. (C) Summary: Democratic Progressive Party (DPP) officials are cautiously optimistic the Pan-Green camp will secure a narrow majority in the December 11 Legislative Yuan (LY) election. The DPP's campaign strategy is focused on sowing discord within the opposition alliance and enforcing discipline among DPP voters to boost chances for first-time candidates with little name recognition. President Chen Shui-bian is using the December election to test the four candidates to replace him in 2008, giving each an independent role in the campaign. The DPP has concentrated thus far on domestic themes for the election, although some party moderates fear that President Chen may revert to pre-election PRC-baiting if Lee Teng-hui is able to re-energize the Taiwan Solidarity Union's (TSU) stagnating campaign. End Summary.

DPP Mood: With Enemies Like This...

12. (C) DPP officials say they are relatively relaxed about the upcoming LY campaign, in marked contrast to the sense of crisis that currently grips the Pan-Blue camp (Septel). Based on party polls, DPP officials assert that the minimum number of seats the Pan-Green can be expected to win would be 108, five short of a majority but enough to deprive the Pan-Blue of its current control of the 225-seat legislature. Veteran DPP Legislator Hong Chi-chang told AIT that "it doesn't really matter if we get a majority or not -- as long as independents hold the balance and not the Pan-Blue, we can govern." Executive Yuan (EY) Research, Development, and Evaluation (RDEC) Vice Minister Chen Chun-lin, a veteran DPP campaign strategist, remarked that the DPP's current projected 8-9 seat gain materialized before the campaign season even started. Chen assessed that "it isn't that we've done anything right, it's just that we are lucky to have such incompetent opponents."

Divide and Conquer

13. (C) Pan-Green campaign officials say the DPP's prospects have been boosted by a series of strategic errors over the past six months on the part of the Pan-Blue. DPP Deputy Secretary General Lee Ying-yuan told AIT that the ruling

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party was seriously concerned when the Pan-Blue announced early in the summer a plan to limit the number of nominees. "There was a period when I feared we had nominated too many candidates," Lee commented, "but almost as soon as they announced their new restrictions, they started to violate them." DPP officials were also worried that collapsing poll numbers for the People First Party (PFP) might lead to a pre-election Pan-Blue merger (Reftel). Presidential Office Deputy Secretary General James Huang told AIT that the DPP has actively countered KMT efforts to marginalize PFP Chairman James Soong by singling him out for attacks, making him appear to be the DPP's real enemy. The DPP has also launched a public campaign to highlight the KMT's refusal to dispose of its "ill-gotten" assets, a key PFP condition for a Pan-Blue merger.

- 14. (C) National Security Council (NSC) Secretary General and veteran campaign manager Chiou I-jen told AIT that the DPP will use similar tactics at the local level to take advantage of Taiwan's multi-member district system. "We will pick the strongest Pan-Blue candidate in each district and focus all of our attacks on him," Chiou explained, "that way Pan-Blue voters will see that candidate as the one the DPP wants to get rid of and shift their votes to defend him, hopefully leaving all the other Pan-Blue candidates in the district with too few votes to get elected."
- 15. (C) Chiou was less optimistic that the DPP could repeat its successful pre-presidential election assault on the KMT's local faction bases. To illustrate his concern, Chiou noted that the DPP managed to persuade more than a third of the membership of Miaoli County KMT Legislator Ho Chih-hui's faction to vote for Chen Shui-bian in March 20. "We could get them to vote for Chen because they couldn't care less about Lien Chan," Chiou noted, "but we know they will all

vote for Ho because his election matters to them." However, other officials insist that the DPP is effectively playing local factional politics, but just in different ways. The DPP's Lee noted that PFP Taitung County Magistrate Hsu Ching-yuan has already declared, and (independent Pan-Blue) Miaoli County Magistrate Fu Hsueh-peng is close to declaring, support for DPP candidates in their districts. While Lee credited the DPP's success to patient relations building, the KMT has chosen to run candidates in both areas from factions traditionally opposed to the sitting magistrates.

Themes and Appeals

- 16. (C) DPP officials say that island-wide campaign appeals will aim both to suppress opposition turnout and to get Pan-Green voters to the ballot stations. The DPP's Lee said that the party's twin slogans will be "Advance Reform," and "Care about Taiwan." On the reform side, the DPP plans to emphasize the need to break gridlock in the LY. Legislation to force the KMT to dispose of its assets, which has been blocked by the Pan-Blue in every session since 2002, will be a key element of this appeal. The NSC's Chiou said the "Truth Investigation Commission" law would be another. Chiou asserted that the powers given to the Commission under the Pan-Blue enacted law surpassed those enjoyed by the government under martial law. Perhaps more importantly, the DPP's Lee noted that polls show 70 percent of the public supports the DPP's position that the commission should suspend operations until the Council of Grand Justices rules on the constitutionality of the law.
- 17. (C) Lee told AIT that Pan-Blue opposition to the USD 18 billion special defense budget package will serve as the main target of the DPP's "Care about Taiwan" (Gu Taiwan) campaign. He said that the party is planning to hold a major rally on December 4 to raise public awareness over the need for Taiwan's defense, and to remind the public that "there are those in the political arena who don't care about Taiwan." DPP LY Defense Committee Convener Lee Wen-chung noted that the PFP's attempts to block the budget bill offered the DPP a perfect opportunity to paint the opposition, including the fence-sitting KMT, as pro-China sellouts. Many DPP officials say that the special budget will be the only cross-Strait related theme in the DPP campaign, but some warn that a resurgence in support for the TSU may tempt President Chen to reach for his anti-China card (Septel).

One Campaign: Four HQs

¶8. (C) One unique element of this year's DPP campaign is the existence of four independent campaign headquarters, headed by (respectively) DPP Secretary General Chang Chun-hsiung, Presidential Office Secretary General Su Tseng-chang, Premier Yu Shyi-kun, and Kaohsiung Mayor Frank Hsieh. DPP officials say that President Chen ordered this model to allow aspirants for future party leadership the chance to show their mettle as campaign managers. The EY's Chen commented that the only measure of coordination will be the DPP party operation, which will be largely run by Deputy SecGen Lee. Lee told AIT that ensuring that party heavyweights don't trip over each other on the campaign trail has been a major headache, but added that the structure can be made to work if they follow the party's game plan. "We have made Yu responsible for the party's game plan. getting his ministers out on the stump, Hsieh is taking care of the south, while Su, with his charisma and popular appeal, is responsible for helping struggling newcomers gain name recognition," Lee explained. The NSC's Chiou noted that Vice President Annette Lu was put in charge of the party's female mobilization effort after she complained of being left out. Lee said in reality, her role would be to stand next to the president and not say anything.

Comment: A Win-win Election?

19. (C) The current upbeat mood within the DPP is light-years from the tense, life-or-death struggle atmosphere that prevailed in the lead up to the March 20 election. DPP officials appear confident that even if they do not gain an outright majority on December 11, wavering independents or KMT members disgruntled with their own party leadership will give them the seats needed for a working majority. The DPP may have considerable leverage to shift the balance after the election, since the constitutional amendment to halve the size of the LY passed in August will lead many to consider alternative forms of future employment. A number of DPP officials have also asserted privately that a strong KMT showing would not necessarily be a bad outcome either, as it might extend the leadership of the incompetent Lien Chan. The DPP's positive assessment of the electoral landscape has given rise to an unprecedented tolerance for experimentation, both with nominations and campaign organization. PAAI.